



16 March 2023

## **THE CONTRACTS FOR DIFFERENCE (STANDARD TERMS) REGULATIONS 2014 CFD STANDARD TERMS NOTICE FOR THE FIFTH ALLOCATION ROUND**

This notice is made further to Regulation 9 of the Contracts for Difference (Standard Terms) Regulations 2014 (as amended) and is given to the Low Carbon Contracts Company Ltd (“the CfD Counterparty”). It applies to the fifth Allocation Round established under the Contracts for Difference (Allocation) Regulations 2014 (as amended).

### **AVAILABLE TERMS**

By notice, the Secretary of State informs the CfD Counterparty that the following issued categories of Standard Terms and Conditions terms are to be used in the Allocation Round:

- Standard Terms (comprising the CfD Standard Terms and Conditions (version 5) and the CfD Generic Agreement (March 2023 version));
- Phased Terms (Single Metering) (comprising the CfD Standard Terms and Conditions (version 5) and the CfD Phase 1-3 (Single) Agreements (March 2023 versions));
- Phased Terms (Apportioned Metering) (comprising the CfD Standard Terms and Conditions (version 5) and the CfD Phase 1-3 (Apportioned) Agreements (March 2023 versions));
- Private Network Terms (comprising the CfD Standard Terms and Conditions (version 5) and the CfD Private Network Agreement (March 2023 version));
- Unincorporated Joint Ventures Terms (comprising the CfD Standard Terms and Conditions (version 5) and the Unincorporated Joint Ventures Agreement (March 2023 version)).

These are available at: <https://www.gov.uk/government/collections/contracts-for-difference-cfd-allocation-round-5>

### **COMPLETION OF TERMS**

The information in the following tables is to be used in the completion of the above available terms in respect of CfD notifications given in the Allocation Round:

1. Table A contains the list of technologies that may be included in notifications to the CfD Counterparty, and which should be used in selecting the information in Tables B to K;



2. The information in Tables B to K, as appropriate to the technology in respect of which a CfD notification is given, is to be used;
3. For all technologies, the information in Table L, as appropriate, is to be used.

**Table A: Facility Generation Technologies**

Advanced Conversion Technology
Anaerobic Digestion (>5MW)
Dedicated Biomass with CHP
Energy from Waste with CHP
Floating Offshore Wind
Geothermal
Hydro (>5MW and <50MW)
Landfill Gas
Offshore Wind
Onshore Wind (>5MW)
Remote Island Wind (>5MW)
Sewage Gas
Solar PV (>5MW)
Tidal stream
Wave

**Table B: Baseload / Intermittent**

<b>Technology</b>	<b>Value</b>
Advanced Conversion Technology	Baseload
Anaerobic Digestion (>5MW)	Baseload
Dedicated Biomass with CHP	Baseload
Energy from Waste with CHP	Baseload
Floating Offshore Wind	Intermittent
Geothermal	Baseload
Hydro (>5MW and <50MW)	Baseload
Landfill Gas	Baseload
Offshore Wind	Intermittent
Onshore Wind (>5MW)	Intermittent
Remote Island Wind (>5MW)	Intermittent



Sewage Gas	Baseload
Solar PV (>5MW)	Intermittent
Tidal stream	Intermittent
Wave	Intermittent

**Table C: Renewable Qualifying Multiplier (RQM)**

<b>Technology</b>	<b>Value</b>
Advanced Conversion Technology	Applies
Anaerobic Digestion (>5MW)	Applies
Dedicated Biomass with CHP	Applies
Energy from Waste with CHP	Applies
Floating Offshore Wind	Does not apply
Geothermal	Does not apply
Hydro (>5MW and <50MW)	Does not apply
Landfill Gas	Applies
Offshore Wind	Does not apply
Onshore Wind (>5MW)	Does not apply
Remote Island Wind (>5MW)	Does not apply
Sewage Gas	Applies
Solar PV (>5MW)	Does not apply
Tidal stream	Does not apply
Wave	Does not apply

**Table D: Assumed RQM**

<b>Technology</b>	<b>Value</b>
Advanced Conversion Technology	0.5
Anaerobic Digestion (>5MW)	1
Dedicated Biomass with CHP	1
Energy from Waste with CHP	0.49
Floating Offshore Wind	1
Geothermal	1
Hydro (>5MW and <50MW)	1
Landfill Gas	1



Offshore Wind	1
Onshore Wind (>5MW)	1
Remote Island Wind (>5MW)	1
Sewage Gas	1
Solar PV (>5MW)	1
Tidal stream	1
Wave	1

**Table E: Combined Heat and Power Qualifying Multiplier (CHPQM)**

<b>Technology</b>	<b>Value</b>
Advanced Conversion Technology	Does not apply
Anaerobic Digestion (>5MW)	Does not apply
Dedicated Biomass with CHP	Applies
Energy from Waste with CHP	Applies
Floating Offshore Wind	Does not apply
Geothermal	Does not apply
Hydro (>5MW and <50MW)	Does not apply
Landfill Gas	Does not apply
Offshore Wind	Does not apply
Onshore Wind (>5MW)	Does not apply
Remote Island Wind (>5MW)	Does not apply
Sewage Gas	Does not apply
Solar PV (>5MW)	Does not apply
Tidal stream	Does not apply
Wave	Does not apply

**Table F: Sustainability**

<b>Technology</b>	<b>Value</b>
Advanced Conversion Technology	Applies
Anaerobic Digestion (>5MW)	Applies
Dedicated Biomass with CHP	Applies
Energy from Waste with CHP	Applies
Floating Offshore Wind	Does not apply
Geothermal	Does not apply



Hydro (>5MW and <50MW)	Does not apply
Landfill Gas	Does not apply
Offshore Wind	Does not apply
Onshore Wind (>5MW)	Does not apply
Remote Island Wind (>5MW)	Does not apply
Sewage Gas	Does not apply
Solar PV (>5MW)	Does not apply
Tidal stream	Does not apply
Wave	Does not apply

**Table G: Target Commissioning Window**

<b>Technology</b>	<b>Value</b>
Advanced Conversion Technology	12 months
Anaerobic Digestion (>5MW)	12 months
Dedicated Biomass with CHP	12 months
Energy from Waste with CHP	12 months
Floating Offshore Wind	12 months
Geothermal	12 months
Hydro (>5MW and <50MW)	12 months
Landfill Gas	6 months
Offshore Wind	12 months
Onshore Wind (>5MW)	12 months
Remote Island Wind (>5MW)	12 months
Sewage Gas	12 months
Solar PV (>5MW)	3 months
Tidal stream	12 months
Wave	12 months

**Table H: Longstop Period**

<b>Technology</b>	<b>Value</b>
Advanced Conversion Technology	12 months
Anaerobic Digestion (>5MW)	12 months
Dedicated Biomass with CHP	12 months
Energy from Waste with CHP	12 months



Floating Offshore Wind	12 months
Geothermal	12 months
Hydro (>5MW and <50MW)	12 months
Landfill Gas	12 months
Offshore Wind	24 months
Onshore Wind (>5MW)	12 months
Remote Island Wind (>5MW)	12 months
Sewage Gas	12 months
Solar PV (>5MW)	12 months
Tidal stream	12 months
Wave	12 months

**Table I: Total Project Pre-Commissioning Costs**

<b>Technology</b>	<b>Value (£)</b>
Advanced Conversion Technology	3,245,000
Anaerobic Digestion (>5MW)	3,580,000
Dedicated Biomass with CHP	4,010,000
Energy from Waste with CHP	7,735,000
Floating Offshore Wind	3,195,000
Geothermal	2,215,000
Hydro (>5MW and <50MW)	1,690,000
Landfill Gas	1,130,000
Offshore Wind	1,270,000
Onshore Wind (>5MW)	925,000
Remote Island Wind (>5MW)	980,000
Sewage Gas	2,390,000
Solar PV (>5MW)	360,000
Tidal stream	2,665,000
Wave	2,905,000

**Table J: Assumed Load Factor**

<b>Technology</b>	<b>Value</b>
Advanced Conversion Technology	70.7%
Anaerobic Digestion (>5MW)	79.1%



Dedicated Biomass with CHP	80.3%
Energy from Waste with CHP	81.4%
Floating Offshore Wind	59.0%
Geothermal	91.2%
Hydro (>5MW and <50MW)	35.0%
Landfill Gas	58.1%
Offshore Wind	61.5%
Onshore Wind (>5MW)	38.1%
Remote Island Wind (>5MW)	46.5%
Sewage Gas	46.0%
Solar PV (>5MW)	10.8%
Tidal stream	35.0%
Wave	30.0%

**Table K: Post-Tax Real Discount Rate**

<b>Technology</b>	<b>Value</b>
Advanced Conversion Technology	7.3%
Anaerobic Digestion (>5MW)	7.5%
Dedicated Biomass with CHP	8.2%
Energy from Waste with CHP	6.8%
Floating Offshore Wind	7.0%
Geothermal	14.4%
Hydro (>5MW and <50MW)	4.5%
Landfill Gas	5.5%
Offshore Wind	5.7%
Onshore Wind (>5MW)	4.7%
Remote Island Wind (>5MW)	4.9%
Sewage Gas	5.9%
Solar PV (>5MW)	4.5%
Tidal stream	7.8%
Wave	7.7%

**Table L: Initial TLM(D) Charge**

<b>Year</b>	<b>Value</b>
2022	0.0090



Department for  
Energy Security  
& Net Zero

2023	0.0090
2024	0.0090
2025	0.0090
2026	0.0090
2027	0.0090
2028	0.0090
2029	0.0090
2030	0.0090
2031	0.0090
2032	0.0090
2033	0.0090
2034	0.0090
2035 and each calendar year thereafter	0.0090

**SIGNED**

*Sarah Redwood*

Sarah Redwood, Director Renewable Electricity, Department for Energy Security & Net Zero

For and on behalf of the Secretary of State

**DATED:** 16 March 2023





The following is provided for information only and does not form part of the notice:

### DERIVATION OF VALUES

Value	Reference
<b>Assumed Renewable Qualifying Multiplier (RQM)</b>	Based on DESNZ's latest view on electricity generation costs.
<b>Target Commissioning Windows</b>	Published by DESNZ in the Allocation Framework for the fifth Allocation Round.
<b>Longstop Period</b>	Unchanged since the first Allocation Round.
<b>Total Project Pre-Commissioning Costs</b>	Derived from capital cost forecasts (low) built on DESNZ's latest view on electricity generation costs.
<b>Assumed Load Factor</b>	<p>Offshore Wind, Remote Island Wind and Floating Offshore Wind load factors estimated for specific known projects in the pipeline using DESNZ's internal models generating power curves (the relationship between the power output of a turbine based on its size, and wind speed<sup>1</sup>), and combined with site-specific wind speed distribution data from the Met Office (central values from the range across projects have been used).</p> <p>Other technologies based on central assumptions underpinning DESNZ's latest view on electricity generation costs.</p>
<b>Post-Tax Real Discount Rate</b>	DESNZ's latest view on hurdle rates.
<b>Initial TLM(D) Charge</b>	National Grid, Future Energy Scenarios 2019.

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<sup>1</sup> <https://www.gov.uk/government/publications/contracts-for-difference-cfd-allocation-round-5-administrative-strike-prices-methodology-note>